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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

DALE DEASON, Individually and
On Behalf of All Others Similarly
Situating,

Plaintiff,

v.

SUPER MICRO COMPUTER, INC.,
CHARLES LIANG, and HOWARD
HIDESHIMA,

Defendants.

No.

CLASS ACTION

**COMPLAINT FOR VIOLATION OF
THE FEDERAL SECURITIES LAWS**

DEMAND FOR JURY TRIAL

1 Plaintiff Dale Deason (“Plaintiff”), individually and on behalf of all other persons
2 similarly situated, by his undersigned attorneys, for his complaint against defendants,
3 alleges the following based upon personal knowledge as to himself and his own acts, and
4 information and belief as to all other matters, based upon, inter alia, the investigation
5 conducted by and through his attorneys, which included, among other things, a review of
6 the defendants’ public documents, conference calls and announcements made by
7 defendants, United States Securities and Exchange Commission (“SEC”) filings, wire
8 and press releases published by and regarding Super Micro Computer, Inc. (“Super
9 Micro Computer” or the “Company”), analysts’ reports and advisories about the
10 Company, and information readily obtainable on the Internet.
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13 **NATURE OF THE ACTION**

14 1. This is a federal securities class action on behalf of a class consisting of all
15 persons other than defendants who purchased or otherwise acquired Super Micro
16 Computer securities between September 15, 2014 and August 31, 2015, both dates
17 inclusive (the “Class Period”), seeking to recover damages caused by defendants’
18 violations of the federal securities laws and to pursue remedies under §§ 10(b) and 20(a)
19 of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5
20 promulgated thereunder against the Company and certain of its top officials.
21

22 2. Defendant Super Micro Computer develops and provides high performance
23 server solutions based on modular and open-standard architecture. The company offers a
24

1 range of server, storage, blade, workstation, and full rack solutions, as well as
2 networking devices, server management software, and technology support and services.
3 It also provides a range of application optimized server solutions, including rackmount
4 and blade server systems; and server subsystems and accessories comprising server
5 boards, and chassis and power supplies, as well as other system accessories, including
6 microprocessors, and memory and disc drives. The company offers its products to data
7 center, cloud computing, enterprise IT, big data, high performance computing, and
8 embedded markets.
9

10 3. Super Micro Computer was founded in 1993 and is headquartered in San
11 Jose, California. Its shares trade on the NASDAQ exchange under the ticker symbol
12 “SMCI.”
13

14 4. Throughout the Class Period, defendants made materially false and
15 misleading statements regarding the Company’s business, operational and compliance
16 policies. Specifically, defendants made false and/or misleading statements and/or failed
17 to disclose that: (i) the Company improperly recorded expenses in its financial reports;
18 (ii) as a result, the Company’s reported net income was misstated; (iii) the Company
19 lacked adequate internal financial controls; and (iv) as a result of the above, the
20 Company’s financial statements were materially false and misleading at all relevant
21 times.
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1 5. On August 31, 2015, post-market, Super Micro Computer announced that
2 the Company “has determined that it is unable to file its Annual Report on Form 10-K
3 for the fiscal year ended June 30, 2015 within the prescribed time period without
4 unreasonable effort or expense. [Super Micro Computer] recently discovered certain
5 irregularities regarding certain marketing expenses and additional time is required for
6 [the Company] to complete its investigation of the matter.”
7

8 6. On this news, shares of Super Micro Computer declined \$2.58 per share, or
9 9.43%, to close at \$24.77 on September 1, 2015.
10

11 7. As a result of defendants' wrongful acts and omissions, and the precipitous
12 decline in the market value of the Company's securities, Plaintiff and other Class
13 members have suffered significant losses and damages.

14 **JURISDICTION AND VENUE**

15 8. The claims asserted herein arise under and pursuant to Sections 10(b) and
16 20(a) of the Exchange Act (15 U.S.C. § 78j(b) and 78t(a)) and Rule 10b-5 promulgated
17 thereunder (17 C.F.R. § 240.10b-5).

18 9. This Court has jurisdiction over the subject matter of this action pursuant to
19 § 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331.
20

21 10. Venue is proper in this District pursuant to §27 of the Exchange Act, 15
22 U.S.C. §78aa and 28 U.S.C. §1391(b), as the Company maintains corporate offices in
23 this District.
24

1 17. Defendant Super Micro Computer develops and provides high performance
2 server solutions based on modular and open-standard architecture. The company offers a
3 range of server, storage, blade, workstation, and full rack solutions, as well as
4 networking devices, server management software, and technology support and services.
5 It also provides a range of application optimized server solutions, including rackmount
6 and blade server systems; and server subsystems and accessories comprising server
7 boards, and chassis and power supplies, as well as other system accessories, including
8 microprocessors, and memory and disc drives. The company offers its products to data
9 center, cloud computing, enterprise IT, big data, high performance computing, and
10 embedded markets.
11

12
13 18. The Company was founded in 1993 and is incorporated in Delaware, with
14 headquarters in San Jose, California. Its shares trade on the NASDAQ exchange under
15 the ticker symbol “SMCI.”

16 **Materially False and Misleading**
17 **Statements Issued During the Period**

18 19. The Class Period begins on September 15, 2014, when Super Micro
19 Computer filed an annual report on Form 10-K with the SEC announcing the Company’s
20 financial and operating results for the fiscal quarter and year ended June 30, 2014 (the
21 “2014 10-K”). For the quarter, the Company reported net income of \$16.55 million, or
22 \$0.34 per diluted share, on revenue of \$428.07 million, compared to net income of \$8.43
23 million, or \$0.19 per diluted share, on revenue of \$322.33 million for the same period in
24

1 the prior year. For fiscal year 2014, the Company reported net income of \$54.16 million,
2 or \$1.16 per diluted share, on revenue of \$1.47 billion, compared to net income of
3 \$21.28 million, or \$0.48 per diluted share, on revenue of \$1.16 billion for fiscal year
4 2013.

5
6 20. The 2014 10-K stated, in part:

7 *Sales and marketing expenses.* Sales and marketing expenses consist
8 primarily of salaries and incentive bonuses for our sales and marketing
9 personnel, costs for tradeshow, independent sales representative fees and
10 marketing programs. From time to time, we receive cooperative marketing
11 funding from certain suppliers. Under these programs, we are reimbursed for
12 certain marketing costs that we incur as part of the joint promotion of our
13 products and those of our suppliers. These amounts offset a portion of the
14 related expenses and have the effect of reducing our reported sales and
15 marketing expenses. Similarly, we from time to time offer our distributors
16 cooperative marketing funding which has the effect of increasing our
17 expenses. The timing, magnitude and estimated usage of our programs and
18 those of our suppliers can result in significant variations in reported sales
19 and marketing expenses from period to period. Spending on cooperative
20 marketing, either by us or our suppliers, typically increases in connection
21 with significant product releases by us or our suppliers.

22 21. The 2014 10-K contained signed certifications pursuant to the Sarbanes-
23 Oxley Act of 2002 ("SOX") by the Individual Defendants, stating that the financial
24 information contained in the 2014 10-K was accurate and disclosed any material changes
to the Company's internal control over financial reporting.

25 22. On October 21, 2014, Super Micro Computer issued a press release and
filed a Form 8-K with the SEC announcing the Company's financial and operating
results for the fiscal quarter ended September 30, 2014 (the "Q1 2015 8-K"). For the

1 quarter, the Company reported net income of \$20.86 million, or \$0.42 per diluted share,
2 on revenue of \$443.32 million, compared to net income of \$7.70 million, or \$0.17 per
3 diluted share, on revenue of \$309.02 million for the same period in the prior year.

4
5 23. In the Q1 2015 8-K, the Company reported Sales and Marketing expenses
6 of \$11 million for the quarter, compared to Sales and Marketing expenses of \$8.87
7 million for the same period in the prior year. In the Q1 2015 8-K, the Company stated,
8 in part:

9 The Company expects net sales of \$440 million to \$480 million for the second
10 quarter of fiscal year 2015 ending December 31, 2014. The Company expects non-
11 GAAP earnings per diluted share of approximately \$0.44 to \$0.50 for the second
12 quarter.

13 “We began fiscal 2015 with an exceptional first quarter of record revenue
14 and profits. In the first quarter, we grew revenues 43.5% over last year and
15 posted our fourth consecutive quarter of record results. This again
16 outperformed multiple times the industry growth rate. With 57.7% of our
17 revenue coming from systems based on our Storage, GPU/Xeon Phi, Twin,
18 MicroCloud and Network Switches, we continue to improve margin through
19 a mix of higher value system products,” said Charles Liang, Chairman and
20 CEO. “As we ship our latest X10 generation Haswell DP products, a brand
21 new I/O optimized Ultra server architecture and industry-leading hot-
22 swappable NVMe solutions, we are confident our technology innovation
23 will continue to drive our growth momentum into the remainder fiscal
24 2015.”

25 24. On November 6, 2014, Super Micro Computer filed a quarterly report on
26 Form 10-Q with the SEC reiterating the financial and operating results previously
27 announced in the Q1 2015 8-K (the “Q1 2015 10-Q”).

1 25. The Q1 2015 10-Q contained signed certifications pursuant to SOX by the
2 Individual Defendants, stating that the financial information contained in the Q1 2015
3 10-Q was accurate and disclosed any material changes to the Company's internal control
4 over financial reporting.

5
6 26. On January 20, 2015, Super Micro Computer issued a press release and
7 filed a Form 8-K with the SEC announcing the Company's financial and operating
8 results for the fiscal quarter ended December 31, 2014 (the "Q2 2015 8-K"). For the
9 quarter, the Company reported net income of \$31.24 million, or \$0.61 per diluted share,
10 on revenue of \$503.01 million, compared to net income of \$13.34 million, or \$0.30 per
11 diluted share, on revenue of \$356.36 million for the same period in the prior year.

12
13 27. In the Q2 2015 8-K, the Company reported Sales and Marketing expenses
14 of \$11.16 million for the quarter, compared to Sales and Marketing expenses of \$8.98
15 million for the same period in the prior year. In the Q2 2015 8-K, the Company stated,
16 in part:

17 The Company expects net sales of \$450 million to \$500 million for the third
18 quarter of fiscal year 2015 ending March 31, 2015. The Company expects
19 non-GAAP earnings per diluted share of approximately \$0.46 to \$0.52 for
20 the third quarter.

21 "Last quarter we achieved our fifth consecutive record high revenue which
22 was 41.2% higher than last year and we reached our goal of \$2 billion
23 annual run rate for revenues in a quarter. Not only was this quarter
24 outstanding from a revenue perspective, but we also continued to improve
our operating margin. This performance was driven by a significant increase
in our new Haswell product shipments in the first full quarter since its
launch, and we are confident that a strong cycle of technology transition is

1 underway. Strength in Storage and Cloud market verticals were part of a
2 record for server systems revenue at 60.1%,” said Charles Liang, Chairman
3 and Chief Executive of Supermicro. “Supermicro has the broadest product
4 portfolio of application optimized server/storage technology in the industry
5 featuring our Ultra line of servers as well as many choices for multi-node
6 servers including our Twin architecture, Blades, MicroCloud and
7 MicroBlade. We are well positioned for growth and market share gains.”

8 28. On February 9, 2015, Super Micro Computer filed a quarterly report on
9 Form 10-Q with the SEC reiterating the financial and operating results previously
10 announced in the Q2 2015 8-K (the “Q2 2015 10-Q”).

11 29. The Q2 2015 10-Q contained signed certifications pursuant to SOX by the
12 Individual Defendants, stating that the financial information contained in the Q2 2015
13 10-Q was accurate and disclosed any material changes to the Company’s internal control
14 over financial reporting.

15 30. On April 21, 2015, Super Micro Computer issued a press release and filed a
16 Form 8-K with the SEC announcing the Company’s financial and operating results for
17 the fiscal quarter ended March 30, 2015 (the “Q3 2015 8-K”). For the quarter, the
18 Company reported net income of \$23.06 million, or \$0.44 per diluted share, on revenue
19 of \$471.23 million, compared to net income of \$16.57 million, or \$0.35 per diluted
20 share, on revenue of \$373.76 million for the same period in the prior year.

21 31. In the Q3 2015 8-K, the Company reported Sales and Marketing expenses
22 of \$12.50 million for the quarter, compared to Sales and Marketing expenses of \$9.42
23
24

1 million for the same period in the prior year. In the Q3 2015 8-K, the Company stated,
2 in part:

3 The Company expects net sales of \$510 million to \$560 million for the
4 fourth quarter of fiscal year 2015 ending June 30, 2015. The Company
5 expects non-GAAP earnings per diluted share of approximately \$0.53 to
\$0.62 for the fourth quarter.

6 “Supermicro again delivered industry leading growth in the third quarter
7 with 26.1% year over year growth in a seasonally affected quarter. We
8 continued our strong pace of growth in our server and storage solutions
9 business contributing 64.1% of total revenue and with 53.9% of revenues
10 coming from the OEM and Direct customers. Storage, GPU/Xeon Phi, and
11 our Twin family solutions continue to grow strongly year over year, “ said
12 Charles Liang, Chairman and CEO. “As we approach the final quarter of this
fiscal year we are excited about our opportunities to improve our strong
growth trend. Our offerings for Storage, HPC, Enterprise, Datacenter, Cloud
and Service are well positioned with the latest technologies to enable
Supermicro to win market share.”

13 32. On May 7, 2015, Super Micro Computer filed a quarterly report on Form
14 10-Q with the SEC reiterating the financial and operating results previously announced
15 in the Q3 2015 8-K (the “Q3 2015 10-Q”).

16 33. The Q3 2015 10-Q contained signed certifications pursuant to SOX by the
17 Individual Defendants, stating that the financial information contained in the Q2 2015
18 10-Q was accurate and disclosed any material changes to the Company’s internal control
19 over financial reporting.

20 34. On August 4, 2015, Super Micro Computer issued a press release and filed
21 a Form 8-K with the SEC announcing the Company’s financial and operating results for
22 the fiscal quarter and year ended June 30, 2015 (the “2015 10-K”). For the quarter, the
23
24

1 Company reported net income of \$26.70 million, or \$0.51 per diluted share, on revenue
2 of \$573.59 million, compared to net income of \$16.55 million, or \$0.34 per diluted
3 share, on revenue of \$428.07 million for the same period in the prior year. For fiscal
4 year 2015, the Company reported net income of \$101.86 million, or \$2.03 per diluted
5 share, on revenue of \$1.99 billion, compared to net income of \$54.16 million, or \$1.16
6 per diluted share, on revenue of \$1.47 billion for fiscal year 2014.

8 35. In the 2015 8-K, the Company reported Sales and Marketing expenses of
9 \$14.20 million for the quarter, compared to Sales and Marketing expenses of \$10.76
10 million for the same period in the prior year, and Sales and Marketing expenses of
11 \$48.85 million for fiscal year 2015, compared to Sales and Marketing expenses of
12 \$38.01 million for fiscal year 2014. In the Q3 2015 8-K, the Company stated, in part:

14 The Company expects net sales of \$520 million to \$580 million for the first
15 quarter of fiscal year 2016 ending September 30, 2015. The Company
16 expects non-GAAP earnings per diluted share of approximately \$0.49 to
\$0.59 for the first quarter.

17 “Supermicro delivered record revenues in the fourth quarter of 34% growth
18 over last year and posting \$1.99 billion for the full fiscal year 2015 which
19 was 35.7% above last year. Revenue related to our storage solutions grew
20 79% year over year in the fourth quarter as storage has become a strategic
21 growth segment with contributions from both traditional and next generation
22 storage solutions. Our FatTwin solutions were also a key growth driver this
23 quarter with over 100% growth year over year and sales of our new
24 MicroBlade solutions grew strongly for a new product category,” said
Charles Liang, Chairman and CEO. “Looking to 2016 we have never been
stronger in terms of leading products like Ultra, GPU/Xeon Phi, Storage,
MicroBlade, and our software and service offerings. In order to support our
growth, we are in the process of completing a 30% capacity addition in our

1 San Jose and Europe manufacturing operations. We believe that we are well
2 positioned for continued growth and market share gains.”

3 36. The statements referenced in ¶¶ 19-35 above were materially false and/or
4 misleading because they misrepresented and failed to disclose the following adverse
5 facts, which were known to defendants or recklessly disregarded by them, including that:
6 (i) the Company improperly recorded sales and marketing expenses in its financial
7 statements; (ii) as a result, the Company’s net income was misstated; (iii) the Company
8 lacked adequate internal financial controls; and (iv) as a result of the above, the
9 Company’s financial statements were materially false and misleading at all relevant
10 times.
11

12 **The Truth Emerges**

13 37. On August 31, 2015, post-market, Super Micro Computer announced that
14 the Company “has determined that it is unable to file its Annual Report on Form 10-K
15 for the fiscal year ended June 30, 2015 within the prescribed time period without
16 unreasonable effort or expense. [Super Micro Computer] recently discovered certain
17 irregularities regarding certain marketing expenses and additional time is required for
18 [the Company] to complete its investigation of the matter.”
19

20 38. On this news, shares of Super Micro Computer declined \$2.58 per share, or
21 9.4%, to close at \$24.77 on September 1, 2015.
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1 39. As a result of defendants' wrongful acts and omissions, and the precipitous
2 decline in the market value of the Company's securities, Plaintiff and other Class
3 members have suffered significant losses and damages.

4
5 **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

6 40. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
7 Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or
8 otherwise acquired Super Micro Computer securities during the Class Period (the
9 "Class"); and were damaged upon the revelation of the alleged corrective disclosures.
10 Excluded from the Class are defendants herein, the officers and directors of the
11 Company, at all relevant times, members of their immediate families and their legal
12 representatives, heirs, successors or assigns and any entity in which defendants have or
13 had a controlling interest.

14
15 41. The members of the Class are so numerous that joinder of all members is
16 impracticable. Throughout the Class Period, Super Micro Computer securities were
17 actively traded on the NASDAQ. While the exact number of Class members is unknown
18 to Plaintiff at this time and can be ascertained only through appropriate discovery,
19 Plaintiff believes that there are hundreds or thousands of members in the proposed Class.
20 Record owners and other members of the Class may be identified from records
21 maintained by Super Micro Computer or its transfer agent and may be notified of the
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pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

42. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law that is complained of herein.

43. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

44. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class.

Among the questions of law and fact common to the Class are:

- whether the federal securities laws were violated by defendants' acts as alleged herein;
- whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Super Micro Computer;
- whether the Individual Defendants caused Super Micro Computer to issue false and misleading financial statements during the Class Period;
- whether defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Super Micro Computer securities during the Class Period were artificially inflated because of the defendants' conduct complained of herein; and

- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

45. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

46. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Super Micro Computer securities are traded in an efficient market;
- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NASDAQ and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold Super Micro Computer securities between the time the defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

1 devices, schemes and artifices to defraud in connection with the purchase and sale of
2 securities. Such scheme was intended to, and, throughout the Class Period, did: (i)
3 deceive the investing public, including Plaintiff and other Class members, as alleged
4 herein; (ii) artificially inflate and maintain the market price of Super Micro Computer
5 securities; and (iii) cause Plaintiff and other members of the Class to purchase or
6 otherwise acquire Super Micro Computer securities and options at artificially inflated
7 prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants,
8 and each of them, took the actions set forth herein.

10 52. Pursuant to the above plan, scheme, conspiracy and course of conduct, each
11 of the defendants participated directly or indirectly in the preparation and/or issuance of
12 the quarterly and annual reports, SEC filings, press releases and other statements and
13 documents described above, including statements made to securities analysts and the
14 media that were designed to influence the market for Super Micro Computer securities.
15 Such reports, filings, releases and statements were materially false and misleading in that
16 they failed to disclose material adverse information and misrepresented the truth about
17 Super Micro Computer's finances and business prospects.

19 53. By virtue of their positions at Super Micro Computer, defendants had
20 actual knowledge of the materially false and misleading statements and material
21 omissions alleged herein and intended thereby to deceive Plaintiff and the other
22 members of the Class, or, in the alternative, defendants acted with reckless disregard for
23
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1 the truth in that they failed or refused to ascertain and disclose such facts as would reveal
2 the materially false and misleading nature of the statements made, although such facts
3 were readily available to defendants. Said acts and omissions of defendants were
4 committed willfully or with reckless disregard for the truth. In addition, each defendant
5 knew or recklessly disregarded that material facts were being misrepresented or omitted
6 as described above.
7

8 54. Defendants were personally motivated to make false statements and omit
9 material information necessary to make the statements not misleading in order to
10 personally benefit from the sale of Super Micro Computer securities from their personal
11 portfolios.
12

13 55. Information showing that defendants acted knowingly or with reckless
14 disregard for the truth is peculiarly within defendants' knowledge and control. As the
15 senior managers and/or directors of Super Micro Computer, the Individual Defendants
16 had knowledge of the details of Super Micro Computer's internal affairs.
17

18 56. The Individual Defendants are liable both directly and indirectly for the
19 wrongs complained of herein. Because of their positions of control and authority, the
20 Individual Defendants were able to and did, directly or indirectly, control the content of
21 the statements of Super Micro Computer. As officers and/or directors of a publicly-held
22 company, the Individual Defendants had a duty to disseminate timely, accurate, and
23 truthful information with respect to Super Micro Computer's businesses, operations,
24

1 future financial condition and future prospects. As a result of the dissemination of the
2 aforementioned false and misleading reports, releases and public statements, the market
3 price of Super Micro Computer securities was artificially inflated throughout the Class
4 Period. In ignorance of the adverse facts concerning Super Micro Computer's business
5 and financial condition which were concealed by defendants, Plaintiff and the other
6 members of the Class purchased or otherwise acquired Super Micro Computer securities
7 at artificially inflated prices and relied upon the price of the securities, the integrity of
8 the market for the securities and/or upon statements disseminated by defendants, and
9 were damaged thereby.
10

11 57. During the Class Period, Super Micro Computer securities were traded on
12 an active and efficient market. Plaintiff and the other members of the Class, relying on
13 the materially false and misleading statements described herein, which the defendants
14 made, issued or caused to be disseminated, or relying upon the integrity of the market,
15 purchased or otherwise acquired shares of Super Micro Computer securities at prices
16 artificially inflated by defendants' wrongful conduct. Had Plaintiff and the other
17 members of the Class known the truth, they would not have purchased or otherwise
18 acquired said securities, or would not have purchased or otherwise acquired them at the
19 inflated prices that were paid. At the time of the purchases and/or acquisitions by
20 Plaintiff and the Class, the true value of Super Micro Computer securities was
21 substantially lower than the prices paid by Plaintiff and the other members of the Class.
22
23
24

1 The market price of Super Micro Computer securities declined sharply upon public
2 disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

3 58. By reason of the conduct alleged herein, defendants knowingly or
4 recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act and
5 Rule 10b-5 promulgated thereunder.
6

7 59. As a direct and proximate result of defendants' wrongful conduct, Plaintiff
8 and the other members of the Class suffered damages in connection with their respective
9 purchases, acquisitions and sales of the Company's securities during the Class Period,
10 upon the disclosure that the Company had been disseminating misrepresented financial
11 statements to the investing public.
12

13 **COUNT II**

14 **(Violations of Section 20(a) of the** 15 **Exchange Act Against The Individual Defendants)**

16 60. Plaintiff repeats and realleges each and every allegation contained in the
17 foregoing paragraphs as if fully set forth herein.

18 61. During the Class Period, the Individual Defendants participated in the
19 operation and management of Super Micro Computer, and conducted and participated,
20 directly and indirectly, in the conduct of Super Micro Computer's business affairs.
21 Because of their senior positions, they knew the adverse non-public information about
22 Super Micro Computer's false financial statements.
23
24

1 62. As officers and/or directors of a publicly owned company, the Individual
2 Defendants had a duty to disseminate accurate and truthful information with respect to
3 Super Micro Computer's financial condition and results of operations, and to correct
4 promptly any public statements issued by Super Micro Computer which had become
5 materially false or misleading.
6

7 63. Because of their positions of control and authority as senior officers, the
8 Individual Defendants were able to, and did, control the contents of the various reports,
9 press releases and public filings which Super Micro Computer disseminated in the
10 marketplace during the Class Period concerning Super Micro Computer's results of
11 operations. Throughout the Class Period, the Individual Defendants exercised their
12 power and authority to cause Super Micro Computer to engage in the wrongful acts
13 complained of herein. The Individual Defendants therefore, were "controlling persons"
14 of Super Micro Computer within the meaning of Section 20(a) of the Exchange Act. In
15 this capacity, they participated in the unlawful conduct alleged which artificially inflated
16 the market price of Super Micro Computer securities.
17

18 64. Each of the Individual Defendants, therefore, acted as a controlling person
19 of Super Micro Computer. By reason of their senior management positions and/or being
20 directors of Super Micro Computer, each of the Individual Defendants had the power to
21 direct the actions of, and exercised the same to cause, Super Micro Computer to engage
22 in the unlawful acts and conduct complained of herein. Each of the Individual
23
24

1 Defendants exercised control over the general operations of Super Micro Computer and
2 possessed the power to control the specific activities which comprise the primary
3 violations about which Plaintiff and the other members of the Class complain.

4
5 65. By reason of the above conduct, the Individual Defendants are liable
6 pursuant to Section 20(a) of the Exchange Act for the violations committed by Super
7 Micro Computer.

8 **PRAYER FOR RELIEF**

9 **WHEREFORE**, Plaintiff demands judgment against defendants as follows:

10 A. Determining that the instant action may be maintained as a class action
11 under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the
12 Class representative;

13
14 B. Requiring defendants to pay damages sustained by Plaintiff and the Class
15 by reason of the acts and transactions alleged herein;

16 C. Awarding Plaintiff and the other members of the Class prejudgment and
17 post-judgment interest, as well as his reasonable attorneys' fees, expert fees and other
18 costs; and

19
20 D. Awarding such other and further relief as this Court may deem just and
21 proper.

22 **DEMAND FOR TRIAL BY JURY**

23 Plaintiff hereby demands a trial by jury.
24

1 Dated: September 4, 2015

2 Respectfully submitted,

3 **POMERANTZ LLP**

4 By: s/ Jennifer Pafiti

5 Jennifer Pafiti (SBN 282790)

6 468 North Camden Drive

7 Beverly Hills, CA 90210

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